



1 Top TFSA Stock That Could Turn \$1,000 Into \$10,000

Description

One of the best methods to become a wealthy investor is to make more money from the money you invest. If you have a long investment horizon and you can find the right assets to invest in, it is possible for you to grow a \$1,000 investment into \$10,000 and beyond by using a dividend stock that yields around 6%.

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is one of the leading telecommunications companies in Canada, and it offers an almost 6% dividend yield. At writing, the stock is trading for \$59.16 per share and boasts a 5.92% dividend yield that could possibly turn a \$1,000 investment into \$10,000 through dividends alone.

Industry-leading income stock

BCE is a blue-chip **TSX** stock that generates almost half of its revenue from its wireless segment. The company has been growing rapidly throughout the country. BCE invests millions annually to run its extensive wireless network. BCE generates reliable and robust cash flows through its wireless services and residential operations.

The company also boasts market-leading media assets that contribute to maintaining capital investment and sustaining shareholder returns that make its investors happy. The company does not rely as much on capital gains as it does on dividend income, rendering it [an income-seeking investor's dream](#).

Broad customer base

Since its operating segments offer a wide range of products and services, BCE has a wide and diversified customer base that gives it an edge over other industry giants. The company's wireline network is one of the most significant contributors to the company's revenues.

Its customer base consists of retail consumers, businesses, and even government agencies. BCE

caters to most of the communication needs for the public and private sectors in the country. Its LTE infrastructure covers 99% of the population in Canada, and BCE is well positioned to capitalize on the incoming 5G boom.

Foolish takeaway

BCE reported a stellar earnings report for Q1 2021. Its operating revenues increased 1.2% compared to the same period last year. According to company CFO Glen LeBlanc, this is a positive sign for the company despite a 6.3% decline in net earnings.

The company's current free cash flow generation is outstanding, and demonstrates that BCE's performance is improving. The company ended the first quarter for fiscal 2021 with a massive \$6.5 billion in available liquidity.

The latest guidance issued by the management for 2021 indicates that its revenue and adjusted EBITDA is expected to grow between 2% and 5%. BCE is currently on track to meet those estimated figures.

BCE's total return over the last four-and-a-half decades represents a 15.33% compound annual growth rate. The figures clearly highlight that BCE is an [excellent long-term investment](#) for its investors regardless of how much they invest into the stock. Using the contribution room in your Tax-Free Savings Account (TFSA) to hold BCE shares can let you enjoy all the returns from your investment tax-free.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:BCE (BCE Inc.)

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